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PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

IN RE:	)	CHAPTER 11 CASES
	)	
FRAC SPECIALISTS, LLC,	)	CASE NO. 15-41974-dml-11
	)	
CEMENT SPECIALISTS, LLC,	)	CASE NO. 15-41975-rfn-11
	)	
ACID SPECIALISTS, LLC,	)	CASE NO. 15-41976-dml-11
	)	
DEBTORS.	)	<b>Joint Administration Pending</b>
	)	
	)	<b>Expedited Hearing Requested</b>
	)	

**DEBTORS' MOTION FOR ENTRY OF AN ORDER PURSUANT TO RULE 1015(b)  
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE DIRECTING JOINT  
ADMINISTRATION OF CASES FOR PROCEDURAL PURPOSES ONLY**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Frac Specialists, LLC ("Frac Specialists"), Cement Specialists, LLC ("Cement Specialists") and Acid Specialists, LLC ("Acid Specialists" and with Frac Specialists and Cement Specialists, the "Debtors" or the "Companies"), as debtors and debtors-in-possession, file this motion for entry of an order pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") directing the joint administration of their respective chapter 11 cases (the "Motion") and respectfully represent as follows:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This case and all related matters have been referred to this Court pursuant to 28 U.S.C. § 157. This Motion constitutes a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (D), (M) and (O). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

2. On May 17, 2015 (the “Petition Date”), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

3. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in these cases.

### **ABOUT THE COMPANIES**

4. The Companies operate as a leading oilfield service provider serving the exploration and production industry within the Permian Basin. The Companies’ management team is made up of well-seasoned oil and gas veterans who have capitalized on an opportunity to bundle an array of mission-critical services to better serve their customers. The Companies have successfully built a diversified platform that provides the highest quality of services at competitive pricing. Since 2011, the Companies have grown from \$17.1mm and \$6.6mm in revenue and EBITDA, respectively, to \$204.1 million and \$6.8 million in revenue and EBITDA, respectively, in 2014. The dramatic decrease in U.S. oilfield service intensity starting in December 2014 caused profit margins and net cash flow to drop dramatically in the 1<sup>st</sup> quarter of 2015. The Companies believe that activity levels have hit bottom and are again on the rise. The Companies are aggressively cutting operating expenses, becoming more efficient during the downturn, and believes its profitability will return as these internal changes are implemented and the overall oil industry activity increases.

5. Acid Specialists was founded in 2008 and provides acid and related chemical pressure pumping services to enhance and maintain production, typically in older, existing oil and gas wells. Acid Specialists currently has nine pumps, sixteen acid transports and a highly loyal and skilled team of operators. Acid Specialists owns the original 11.59 acre yard and office/shop facilities in Midland, Texas. The facility includes substantial office and shop space along with a 46,000 gallon HCL acid dock. This yard and shop are the base of operations for the combined approximately 280 employees of all three Debtor entities.

6. Cement Specialists was founded in late 2010 and provides a complete range of cementing services including remedial work, squeeze jobs, production, intermediate and surface casing, liners and plug and abandonment services. Cement Specialists currently has four single pump cementers and three double pump cementers, along with ten bulk trailers, two field bins and other support equipment. In April 2013, Cement Specialists completed the construction of its state of the art cement plant that is located towards the rear of Acid Specialist's yard.

7. Frac Specialists was founded in late 2011 and provides energized fluid fracs, slick water fracs, cross-linked fracs and gelled water fracs. Frac Specialists expanded steadily throughout 2012, 2013, and 2014 and is capable of pumping any frac design currently used in the Permian Basin. Its equipment is almost all late model (most of it purchased within the last two years), and can be divided into either two complete horizontal zipper frac crews (21 pumps each), or as many as four vertical frac crews (10 pumps each). Frac Specialists owns a 28 acre yard across the street from Acid Specialist's yard that has 4,000,000 tons of sand storage, along with 130,000 gallons of HCL acid storage, and a second facility in Snyder, Texas that consists of 22 acres in an industrial area that has rail access. Frac Specialists also leases a 30,000,000 ton sand storage facility with full rail unloading capabilities in Kress, Texas.

8. The Companies currently operate exclusively in the Permian Basin, which is considered one of the most prolific oil plays in the United States and has become increasingly

more attractive for large oil and gas drillers. As of April 2015, the Permian Basin is the largest oil producing basin and the fourth largest gas producing basin in the United States at 1,981 Mbbls/day and 6,437 MMcf/day, respectively. This represents a 71% increase and 47% increase in oil and gas production, respectively, from April 2012 levels. Furthermore, the Permian Basin is reported to contain an estimated 30 Bbbl of remaining recoverable oil. Along with the Eagle Ford Shale, the Permian Basin is expected to be the continued recipient of a large amount of upstream and midstream investment dollars when commodity prices rebound.

9. The Companies have evolved into one of the leading service platforms in the Permian Basin, providing reliable high quality equipment and services at competitive prices. Before the fall in commodity prices, the Companies were experiencing accelerated growth with strong financial performance. Due to heavy investments in capital assets and a subsequent decline in drilling operations in the Permian Basin, the Companies are now seeking the benefit of a Chapter 11 reorganization to create efficiencies, reorganize its debt and capital leases, and leverage its existing relationships and infrastructure to grow revenue and profits as the market improves.

10. The Debtors are affiliated entities with common ownership. Noble Natural Resources, LLC, Javier Urias and Alex Hinojos collectively own 100% of the membership interests in Acid Specialists and Cement Specialists and 55% of the membership interests in Frac Specialists. The other 45% membership interest in Frac Specialists is held by Acid Specialists.

11. In their Chapter 11 cases, the Debtors intend to implement a business strategy that will ensure the Debtors' financial stability. The Debtors are evaluating their businesses and will prepare a proposed plan of reorganization to restructure the Debtors' prepetition obligations and to provide equitable treatment for their secured and unsecured creditors. The Debtors will seek confirmation of their plan at the earliest practicable date.

**RELIEF REQUESTED AND BASIS FOR RELIEF**

12. By this Motion, the Debtors seek, pursuant to Rule 1015(b) of the Bankruptcy Rules, the joint administration of the Debtors' chapter 11 cases for procedural purposes.

13. Bankruptcy Rule 1015(b) provides, in relevant part:

If a joint petition or two or more petitions are pending in the same court by or against ... a debtor and an affiliate, the court may order a joint administration of the estates.

Fed. R. Bankr. P. 1015(b). The Debtors are "affiliates" as that term is defined in section 101(2) of the Bankruptcy Code, in that the Debtors have common controlling equity holders.

Accordingly, this Court is authorized to grant the relief requested herein. Further, the Courts in this Division have previously granted similar relief. See, e.g., *In re Heartland Automotive Holdings, Inc., et al.*, Case No. 08-40047 (Bankr. N.D. Tex. January 9, 2008); *In re Pilgrims Pride Corp., et al.*; Case No. 08-45664 (Bankr. N.D. Tex. Dec. 3, 2008); *In re Mirant Corp., et al.*, Case No. 03-46590 (Bankr. N.D. Tex. July 16, 2003); and *In re Kitty Hawk, Inc., et al.*, Case No. 07-44536 (Bankr. N.D. Tex. Oct. 17, 2007).

14. Joint administration of the Debtors' chapter 11 cases will expedite the administration of these cases and reduce administrative expenses without prejudicing any creditor's substantive rights. For example, joint administration will permit the Clerk of the Court to utilize a single general docket for these cases and combine notices to creditors of the Debtors' respective estates and other parties in interest. The Debtors anticipate that numerous notices, applications, motions, other pleadings and orders in these cases will affect both of the Debtors. Joint administration will permit counsel for all parties in interest to include the Debtors' respective cases in a single caption on the numerous documents that will be filed and served in these cases. Joint administration also will enable parties in interest in each of the above-captioned chapter 11 cases to be apprised of the various matters before the Court in these cases.

15. The entry of an order of joint administration will: (a) significantly reduce the volume of paper that otherwise would be filed with this Clerk of this Court; (b) simplify for the Office of the United States Trustee the supervision of the administrative aspects of these chapter 11 cases; (c) render the completion of various administrative tasks less costly; and (d) minimize the number of unnecessary delays associated with the administration of these chapter 11 cases. Additionally, because this is not a motion for the substantive consolidation of the Debtors' estates, the rights of parties in interest will not be prejudiced by the proposed joint administration of these cases because each creditor may still file its claim against the estate of the Debtor it possesses a claim against. In fact, the rights of all creditors will be enhanced by the reduction in costs resulting from joint administration.

16. The Debtors propose that the following activities be joined for administrative purposes only:

- (a) All of the Debtors shall file separate Schedules of Assets and Liabilities and Statement of Financial Affairs and, to the extent applicable, List of Equity Security Holders;
- (b) One disclosure statement and plan of reorganization may be (but is not required to be) filed for all of the Debtors' cases by any plan proponent;
- (c) Hearings in these jointly administered cases shall be joint hearings unless otherwise specified; and
- (d) One consolidated docket shall be kept by the Clerk, with separate claims registers for each Debtor's case.

17. The Debtors submit that joint administration of the above-captioned cases is in the Debtors' best interest, as well as those of their respective estates, creditors, and other parties in interest.

**LIMITED NOTICE**

18. Notice of this Motion has been provided to the office of the United States Trustee for the Northern District of Texas, the Debtors' prepetition lender, the holders of the twenty (20)

largest unsecured claims against the Debtors, and parties filing a notice of appearance, as set forth in the Certificate of Service filed herewith. Under the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules, the Debtors submit that no other further notice need be provided.

**PRAYER**

WHEREFORE, the Debtors respectfully request that this Court enter an order providing for the joint administration of these chapter 11 cases for procedural purposes and the consolidation of mailing lists in each of the cases for future noticing requirements. The Debtors also request such other and further relief to which they may be entitled.

Dated: May 17, 2015.

Respectfully submitted,

/s/ Lynda L. Lankford  
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State Bar No. 16352500  
Lynda L. Lankford  
State Bar No. 11935020  
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PROPOSED COUNSEL  
FOR THE DEBTORS

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served upon the office of the United States Trustee for the Northern District of Texas, the counsel for the Prepetition Lender, the holders of the twenty (20) largest unsecured claims against the Debtors, and parties filing a notice of appearance, via ECF electronic Notice, if available, on May 17, 2015 and via United States Mail, first class postage prepaid on May 18, 2015.

/s/ Lynda L. Lankford  
Lynda L. Lankford

**Service List**

**Frac Specialists, et al.  
#5756**

Acid Specialists, LLC  
Attn: Larry P. Noble  
PO Box 11342  
Midland, TX 75028

Capital One, N.A.  
Attn: Seth P. Allen  
600 North Pearl, Suite 2500  
Dallas, TX 75201

Corporation Service Company,  
as Representative  
PO Box 2576  
Springfield, IL 62708

MB Financial Bank, N.A.  
6111 North River Rd.  
Rosemont, IL 60018

Signature Business Leasing LLC  
225 Broadhollow Rd., Suite 132W  
Melville, NY 11747

Wells Fargo Equipment Finance, Inc.  
733 Marquette Ave., Suite 700  
Minneapolis, MN 55402

Texas Comptroller of Public Accounts  
PO Box 149348  
Austin, TX 78714

Chemplex Advanced Materials, LLC  
PO Box 203576  
Dallas, TX 75320-3576

Economy Polymers & Chemicals  
PO Box 301668  
Dallas, TX 75303-1668

Frac Specialists, LLC  
Attn: Larry P. Noble  
PO Box 11342  
Midland, TX 75028

Internal Revenue Service  
PO Box 7346  
Philadelphia, PA 19101

Capital One, N.A.  
c/o Jason DuVall  
Squire Patton Boggs (US) LLP  
2000 McKinney Ave., Suite 1700  
Dallas, TX 75201

EH National Bank  
3100 Bristol St., Suite 150  
Costa Mesa, CA 92626

Noble Natural Resources, LLC  
2033 Taylor Court  
Flower Mound, TX 75028

Summit Funding Group, Inc.  
4680 Parkway Dr., Suite 300  
Mason, OH 45040

Karen Hood Tax Assessor Collector  
Midland County Tax Office  
PO Box 712  
Midland TX 79702

ASK Industries, Inc.  
Community National Bank  
PO Box 1191  
Midland, TX 79702

Diamond Fleet Parts  
1925 W. 2nd  
Odessa, TX 79763

Energy & Environmental Services  
PO Box 14726  
Oklahoma City, OK 73113

Cement Specialists, LLC  
Attn: Larry P. Noble  
PO Box 11342  
Midland, TX 75028

U.S. Trustee  
1100 Commerce St., Room 976  
Dallas, TX 75242

Bank of the West, Trinity Div.  
475 Sansome St., 19<sup>th</sup> Floor  
San Francisco, CA 94111

First National Capital, LLC  
1029 Highway 6 North, Suite 650-283  
Houston, TX 77079

Prime Alliance Bank  
1868 S. 500 W.  
Woods Cross, UT 84087

Susquehanna Commercial Finance, Inc.  
2 Country View Road, Suite 300  
Malvern, PA 19355

Midland Central Appraisal District  
4631 Andrews Highway  
PO Box 908002  
Midland, TX 79708-0002

Catalyst Oilfield Services  
PO Box 8485  
Midland, TX 79708

Dragon Products, Ltd.  
PO Box 3127  
Beaumont, TX 77704-3127

Forum Flow Equipment  
Forum US, Inc.  
PO Box 203440  
Dallas, TX 75320-3440

IV Kings  
PO Box 216  
Andrews, TX 79714

Kendrick Oil Co.  
PO Box 788  
Friona, TX 79053

L & W Diesel Service  
PO Box 4635  
Odessa, TX 79760

L&O Xtreme Hauling, LLC  
PO Box 1191  
Midland, TX 79702

Pel-State Services  
PO Box 95386  
Grapevine, TX 76099-9734

Precision Hydraulic Technology, Inc.  
PO Box 2232  
Odessa, TX 79760

Soil Mender Products, LP  
3071 Highway 86  
Tulia, TX 79088

Sun Coast Resources, Inc.  
PO Box 202603  
Dallas, TX 75320

Texas Department of Transportation  
135 Slaton Road  
Lubbock, TX 79404

TSI Flow Products  
TSI-Accounting  
PO Box 38709  
Houston, TX 77238

WadeCo Specialties, LLC  
PO Box 60634  
Midland, TX 79711

Warren Cat  
Cat Commercial Accounts  
PO Box 905229  
Charlotte, NC 28290-5229

Allen Compressor Repair  
PO Box 1530  
Snyder, TX 79550

Bettico, Inc.  
9515 Santa Clara Dr.  
Fort Worth, TX 76116

Buzzi Unicem USA - Cement  
15293 Collections Center Dr.  
Chicago, IL 60693

Cemex  
PO Box 730197  
Dallas, TX 75373-0197

Double T Oilfield Service LLC  
2606 Douglas  
San Angelo, TX 76904

FleetPride, Inc.  
PO Box 874118  
Dallas, TX 75284-7118

G & A Fabrication  
6200 E. Highway 80  
Midland, TX 79706

Grand Services  
PO Box 1946  
Midland, TX 79702

GulfStream Services, Inc.  
Dept. 3254  
PO Box 123254  
Dallas, TX 75312-3254

Keystone Oilfield Fabrication, LLC  
1870 FM 407  
Rhome, TX 76078

LaFarge North America Inc.  
Dept. 2393  
PO Box 122393  
Dallas, TX 75312-2393

Lone Star Safety & Supply, Inc.  
PO Box 29131  
Dallas, TX 75229-0131

Mass Flow Technology, Inc.  
3523 N. Highway 146  
Baytown, TX 77520

Mudsmith  
PO Box 50723  
Midland, TX 79710

Oilfield Equipment Sales  
5320 FM 902  
Gainesville, TX 76240

T & T Transports Inc.  
PO Box 872  
Colorado City, TX 79512

Teletrac, Inc.  
32472 Collection Center Dr.  
Chicago, IL 60693-0324

TOC Trucking, LLC  
3900 S. CR 1195  
Midland, TX 79706

B-Line Filter & Supply Inc.  
PO Box 4598  
Odessa, TX 79760

CNR Chemical Division, Inc.  
Energy Services Group, Inc.  
Dept. 2494  
Tulsa, OK 74182

Cooper Natural Resources  
Energy Services Group, Inc.  
Dept. 2494  
Tulsa, OK 74182

Custom Chemical Services, LLC  
PO Box 441  
Santa Fe, TX 77510

Energy Products, Inc.  
PO Box 9471  
Tulsa, OK 74157

FC Pro, LLC  
PO Box 677496  
Dallas, TX 75267-7496

FSTI, Inc.  
PO Box 716  
San Antonio, TX 78293

GDL Industrial Electronic  
PO Box 8409  
Midland, TX 79708

Interstate Batteries  
PO Box 60264  
Midland, TX 79711

Reagent Chemical & Research, Inc.  
PO Box 416228  
Boston, MA 02241-6228

Rock Water Energy Solutions  
Reef Services, LLC  
Dept. 18703  
PO Box 203187  
Dallas, TX 75320

Salt and Light Energy Equipment LLC  
1910 Pacific Ave., Suite 15300  
Dallas, TX 75201

Salt & Light Energy Equipment LLC  
c/o Godwin Lewis PC  
Israel R. Silvas/Elisaveta Dolghih  
Renaissance Tower  
1201 Elm St., Suite 1700  
Dallas, TX 75270-2041

Thomas Petroleum  
Fuels, Lubricants, Chemicals  
PO Box 677289  
Dallas, TX 75267-7289

Titan Lansing Transloading, LLC  
2117 Commerce Dr.  
Levelland, TX 79336

Trinity Reserve, Inc.  
PO Box 115  
Argyle, TX 76226-9998

TRIinternational, Inc.  
600 Stewart St., Suite 1801  
Seattle, WA 98101

Valley Solvents & Chemicals  
PO Box 18  
Combes, TX 78535